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OVERSIGHT OF THE ELECTRIC

RELIABILITY COUNCIL OF TEXAS

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PUBLIC UTILITY COMMISSION
BEFORE THE
FILING CLERK
PUBLIC UTILITY COMMISSION
OF TEXAS

PUC DOCKET NO. 51812

ISSUES RELATED TO THE STATE OF

DISASTER FOR THE FEBRUARY

2021 WINTER WEATHER EVENT

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BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

REQUEST FOR EMERGENCY ACTION

Immediate action is required by the Public Utility Commission of Texas, (“PUC” or “Commission”) to avoid irreparable harm to the Texas electric market, its participants, and the public. EDF Renewable Energy (“EDFR”) requests that the Commission enforce its February 15, 2021 Order and instruct the Electric Reliability Council of Texas, Inc. (“ERCOT”) to remove the administrative price adders that set prices to \$9,000/MWh from the time the firm load shed instruction from ERCOT was reduced to zero on the grid. EDF supports and amplifies the emergency requests of others currently pending before the PUC.¹ EDFR is an owner of renewable generation in ERCOT, and is an active participant in the ERCOT market. EDFR agrees with the statements in the Commission’s order that scarcity pricing mechanisms should be tied to load shed.

¹ See, Texas Energy Association of Marketer’s (“TEAM’s”) February 19, 2021 *Emergency Request to Enforce Commission Order*; also see supporting filings by Pattern Energy Group and others.

No Additional Resources Will be Required

It is EDFR's understanding that ERCOT will conduct resettlements for the operating days associated with the winter disaster beginning on March 1. In order to mitigate irreparable harm associated with the actions of ERCOT in contravention of the Commission's Order, the changes requested here must be incorporated in those resettlements.

Avoidance of Irreparable Harm

This requested action will help to stabilize the market and reduce uplift which may otherwise place financial burdens that could create additional uplift. This action is by no means a permanent or the final appropriate settlement for this period. As indicated by the Commission's opening of an investigation into the matters related to the winter disaster, there is a tremendous amount of information that is to be learned about the appropriate pricing levels and market anomalies that may be addressed in future resettlements.

Should any generation resource determine that its costs are not covered by the resettlement requested here, those generators should be allowed to present those costs and obtain reimbursement of those costs through the existing procedures in the ERCOT Nodal Protocols and the Verifiable Cost Model.

Resettlement is Consistent with the Commission's Order

On February 15, 2021, the PUC adopted an Order instructing ERCOT to set the Real Time Settlement Point Price at the high offer cap ("HCAP") when there was firm load-shedding on the grid.² The Order stated "as long as customer load is being shed, scarcity is at its maximum, and the market price for the energy needed to serve that load should also be at its highest."³ The PUC

² The Order was later replaced by an Order on February 16, 2021.

³ Order at 1.

also provided that “adjustments are needed to ERCOT prices to ensure they accurately reflect the scarcity conditions in the market. Accordingly, the Commission directs ERCOT to ensure that firm load that is being shed in EEA3 is accounted for in ERCOT’s scarcity pricing signals”⁴ ERCOT rescinded all load shed instructions early in the morning of February 18, however, it failed to simultaneously return to scarcity pricing mechanisms under the Commission’s rules and ERCOT’s Nodal Protocols.

CONCLUSION

The 2021 Winter Weather Event has created economic uncertainty which places additional scrutiny on investing in the State of Texas. We ask the Commission to mandate ERCOT remove the administrative price adders which set prices to \$9,000/MWh from the time the firm load shed instruction from ERCOT was reduced to zero on the grid. We also request the Commission to direct ERCOT to include prices consistent with this Order back to 1:05 am on February 18, 2021, the time ERCOT removed the firm load shed instruction to the transmission and distribution utilities, in its upcoming resettlements of those operating days. These steps are necessary to prevent irreparable harm associated with uplifts to the market from costs that are heavily disputed and restore trust in the Texas electric market.

Respectfully submitted,



Tristan Grimbert, President and CEO
EDF Renewables, Inc

⁴ *Id.* at 2.